



Brussels, 30 August 2021

MvB/TC

**EACB position on draft Commission Implementing Regulation on the statutory replacement rate for the EONIA benchmark**

The European Association of Co-operative Banks (EACB) has long been advocating for a legislative tool that would provide legal certainty for the transition from EONIA to €STR in already-existing financial contracts that would not mature before €STR becomes fully applicable on 3 January 2022 (References: [LINK 1](#), [LINK 2](#), [LINK 3](#), [LINK 4](#)).

We are thus very pleased and fully supportive that the European Commission has exercised its powers under Article 23a of Regulation (EU) 2016/1011 to designate €STR as published by the European Central Bank as the statutory replacement in contracts and financial instruments referencing EONIA, with the addition of the fixed spread adjustment equal to 8,5 basis points.

We also appreciate the European Commission's clarification that *"any contract or financial instrument still referencing EONIA as of the date of its cessation is considered a "legacy contract" under this implementing regulation, and therefore falls under the scope of the statutory replacement measure"*.

The EACB believes that this is the best risk management measure in the event of serious contract frustration that could affect financial stability and legal liability across the EU, due to the many pending legacy contracts still referencing EONIA that could not be renegotiated before 3 January 2022 (EONIA to €STR transition cut-off date).

In addition, this implementing regulation also provides the necessary legal certainty required by consumers and investors.

**Contact:**

The EACB trusts that its comments will be taken into account.

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